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Copy of letter No. MII-152(31), dated 16-2-1950 from the Government of India. Ministry of Works, Mines and Power.

I am to point out that the Mineral Concession Rules, 1949, framed under section 5 of the Mines and Minerals (Regulation and Development) Act, 1948, have been in force in your provinces since the 25th October, 1949. Under these Rules the Provincial Government is competent to grant or refuse a Certificate of Approval, a Prospecting License or a Mining Lease for any mineral other than oil, subject to the terms and conditions prescribed therein. We expect you have by now examined these rules in detail, and have noted that they give the Provincial Government discretionary powers in certain matter, - for example, in fixing the period for a prospecting license or for its renewal (vide rule 22); for inserting any extra conditions which the Provincial Government may think necessary in a prospecting licence, over and above the conditi specified in the rules (vide sub-rule (2) of Rule 23); for sanctioning the assignment of a licence or lease or the transfer of any right or interest therein (vide clause (iv) of sub-rule (1) of rule 23, and rule 37); for relaxing the provision relating to the shape or proportional dimensions of mining leases (vide rule 38); etc. In certain other matters the exercise of the Provincial Government's discretion is subject to the appr of the Central Government, for example, in restricting a Certificate of Approval to a specific mineral or minerals (vide rule 8) in relaxing the provision of the rule of priority regarding applications for licenses and leases (vide rule 18 and 32); and in inserting any special clau in the mining lease (vide sub-rule (3) of rule 41); etc.

2. Though the above mentioned discretionary provisions should be generally adequate for al ordinary purposes, there may arise cases which may call f the exercise of some special discretion or relaxation not provided for in the Rules. For instance, the mining lea required by the iron and steel industry and the aluminium industry for obtaining their supplies of raw materials in the shape of iron ore and bauxite may require special considerations, both in respect of area and period. Thes industries are long range projects, involving heavy inve tment and they require not only an assured suppl these raw materials for a considerable period, but al reasonable reserves for their future development. T is why a maximum period of 90 years is permitted by t Rules in respect of mining leases for iron ore and bauxite (vide rule 40 (1)). But this provision by itself may not be adequate in all cases, and relaxati of the permissible maximum area of 10 sq. miles, as l down in Rule 35, also sometimes become necessary, for example, in the case of big firms like Messrs Tatas, Indian Iron and Steel Co., etc. Large scale coal-mi enterprises may also require similar special considerati

3. With a view to provide for such exigencies, provision was made in the Mines and Minerals (Regulation and Development) Act, 1948, empowering the Central Gover ment to authorise the grant of a mineral concession on terms and conditions different from those laid down in the Mineral Concession Rules (vide section 12 of the Min and Minerals (Regulation and Development) Act, 1948). The section reads as follows:-

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"12. Relaxation of rules in special cases:

The Central Government may, if satisfied that it is in the public interest so to do, authorise in any case the granting of any mining lease or the workin of any mine on terms and conditions different from those laid down in the rules made under rules 5 and 6"

4. I am to invite your attention to the above-mentioned provision in the Mines and Minerals (Regulation and Development) Act, 1948, and to point out that, should you feel in any particular case that the national or industrial interest, requires a relaxation of any of the provisions of the Mineral Concession Rules 1949, which is not within the Provincial Government's powers it would be open to the Provincial Government to make a reference to the Central Government for permitting such relaxation as a special case.

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Government of Madras.
Abstract.

Mines - Mining - Mineral Concession Rules, 1949 - Administration by States - Government of India letter - Communicated to the Board of Revenue -

Development Department

G.O. Ms. No. 826. Dated the 7th March 1950.

Read the following:
From the Government of India, Ministry of Works, Mines and Power, No. M.II.1(2)(31) dated 16-2-1950.

ORDER:

Communicated to the Board of Revenue and the Director of Industries & Commerce.

(By Order of His Excellency the Governor of Madras)

P.S. Viswanatha Ayyar,
Secretary to Government.

To
The Board of Revenue, Madras.
The Director of Industries & Commerce, Madras.